100TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
100-755, Part I

WORLD WAR II MEMORIAL AND MUSEUM

A TRIBUTE TO FREEDOM

JULY 7, 1988.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 3742 which on December 10, 1987, was referred jointly to the Committee on Veterans' Affairs and the Committee on House Administration]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 3742) to amend title 38, United States Code, to authorize erection of a memorial and museum on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict, having considered the same, reports favorably thereon with amendments, by unanimous voice vote, and recommends that the bill, as amended, do pass.

The amendments follow:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. AUTHORIZATION FOR ESTABLISHMENT OF WORLD WAR II MEMORIAL AND MUSEUM.

(a) ESTABLISHMENT OF WORLD WAR II MEMORIAL AND MUSEUM.—The American Battle Monuments Commission shall establish a memorial and museum on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate the United States' participation in that conflict.

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H763-4

(b) RESPONSIBILITIES OF THE COMMISSION.—(1) The Commission shall plan, design, construct, and oversee the operation of the memorial and museum.

(2) The plan, design, construction, and operation of the memorial and museum shall provide for accessibility by, and accommodations for, the physically handicapped.

SEC. 2. ESTABLISHMENT OF WORLD WAR II MEMORIAL AND MUSEUM ADVISORY BOARD.

(a) ESTABLISHMENT OF BOARD.—There is hereby established a World War II Memorial and Museum Advisory Board.

(b) MEMBERSHIP OF BOARD.—(1) The Board shall consist of at least 9, but not more than 15, members appointed by the President.

(2) The members of the Board shall include a representative of the Smithsonian Institution and representatives of World War II veterans, World War II historians, and American historical associations and other organizations knowledgeable about World War II.

(3) All appointments under this subsection shall be made within 120 calendar days of the date of the enactment of this Act.

(c) TERMS OF MEMBERSHIP ON BOARD.—(1) Members of the Board shall serve a term of three years, except that the first members appointed to the Board shall be appointed for terms of one to three years as determined appropriate by the President to assure continuity on the Board at times when new members are appointed to the Board.

(2) Any member appointed to fill a vacancy arising on the Board shall serve until the expiration of the term of the member who left the Board and created the vacancy.

(d) OFFICERS OF THE BOARD.—The Chairperson and Vice Chairperson of the Board shall be appointed by the President from among the members of the Board.

(e) RESPONSIBILITIES OF BOARD.—The Board shall—

(1) promote establishment of the memorial and museum mandated under section 1(a) and encourage donation of private funds for the construction and maintenance of the memorial and museum;

(2) recommend the site and select the design for the memorial and museum, subject to the approval of the Commission and in accordance with section 7 of Public Law 99-652 (40 U.S.C. 1007; 100 Stat. 3652); and

(3) transmit an annual report to the Congress concerning the activities carried out by the Board in the year for which the report is made, with the first such report to be made no later than 15 months after the date on which all the members of the Board have been appointed under subsection (b).

SEC. 3. FEDERAL AND PRIVATE FUNDING.

(a) PRIVATE FUNDING.—For the purpose of establishing and maintaining the memorial and museum mandated under section 1(a), the Commission may solicit and accept private contri-

butions and shall deposit such contributions in the fund established by subsection (b).

(b) FUND.—(1) There is hereby established in the Treasury a fund which shall be available to the American Battle Monuments Commission only for carrying out this Act. The fund shall consist of—

(A) amounts deposited into, and interest and proceeds credited to, the fund under paragraph (2); and

(B) obligations obtained under paragraph (3).

(2) The Chairman of the Commission shall deposit into the fund the amounts that are accepted under subsection (a). The Secretary of the Treasury shall credit to the fund the interest on, and the proceeds from sale or redemption of, obligations held in the fund.

(3) The Secretary of the Treasury shall invest any portion of the fund that, as determined by the Chairman of the Commission, is not required to meet current expenses. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Chairman of the Commission, has a maturity suitable for the fund.

(4) Amounts in the fund that are in excess of the costs of carrying out this Act, as determined by the Chairman of the Commission, shall be deposited in the Treasury as miscellaneous receipts to reimburse the United States for funds appropriated pursuant to subsection (c).

(c) AUTHORIZATION FOR FEDERAL FUNDING.—There are authorized to be appropriated such funds as are necessary, in addition to private funds solicited under subsection (a)—

(1) for site preparation, design, planning, and associated administrative costs for the establishment of the memorial and museum mandated under section 1(a), and

(2) for construction, maintenance, and operation of the memorial and museum.

SEC. 4. FEDERAL ASSISTANCE AND AUTHORITY TO PURCHASE LAND.

(a) ASSISTANCE IN PERFORMANCE OF FUNCTIONS.—The Secretary of the Smithsonian Institution, the Library of Congress, and all executive branch departments, agencies, and establishments of the United States may assist the Commission in the performance of its functions under this Act.

(b) REAL PROPERTY.—For the purpose of establishing the memorial and museum mandated under section 1(a)—

(1) any department, agency, or instrumentality of the United States may transfer to the administrative jurisdiction of the Commission any real property in the District of Columbia or its environs which is under the administrative jurisdiction of such department, agency, or instrumentality, and

(2) the Commission may purchase, with the consent of the owner thereof, any real property within the District of Columbia or its environs.

Amend the title so to read:

A bill to provide for the establishment of a memorial and museum on Federal land within the District of Columbia to honor members of the Armed Forces who served in World War II and to commemorate the United States' participation in that conflict.

Introduction

On December 10, 1987, H.R. 3742 was introduced and jointly referred to the Veterans' Affairs Committee and House Administration Committee.

On April 21, 1988, the Subcommittee on Housing and Memorial Affairs held a hearing on this measure. The Subcommittee received testimony from the Honorable Mary Rose Oakar, Chairwoman of the Subcommittee on Libraries and Memorials, Committee on House Administration; Veterans' Administration; American Battle Monuments Commission; National Capital Planning Commission; Disabled American Veterans; Veterans of Foreign Wars; Paralyzed Veterans of America; American Ex-Prisoners of War and National Victory Memorial Fund.

On June 21, 1988, the Subcommittee adopted an amendment in the nature of a substitute to H.R. 3742 and recommended that the bill be considered by the full Committee as amended.

On June 28, 1988, the full committee ordered H.R. 3742 favorably reported as amended.

Summary of the Bill

H.R. 3742 directs the American Battle Monuments Commission to establish a memorial and museum on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate United States participation in that conflict.

Background and Discussion of the Bill

Over 16 million Americans served in the Armed Forces of the United States during World War II, with over 400,000 making the ultimate sacrifice in defense of freedom around the world. There were more Americans killed or wounded in this war than in any other war or conflict. There is currently a memorial to honor Vietnam veterans, and a memorial to recognize Korean Conflict veterans has been initiated. Yet there is no single national memorial to pay tribute to World War II veterans. The reported bill would provide for a memorial and museum to honor these Americans.

The American Battle Monuments Commission (ABMC) would be responsible for planning, designing, constructing, and overseeing the operation of the memorial and museum. Accessibility for the physically handicapped would be a requirement.

As amended, H.R. 3742 would provide for the establishment of an advisory board consisting of at least nine but not more than 15 members, appointed by the President, serving up to a three-year term. Membership will include a representative of the Smithsonian

Institution and representatives of World War II veterans, World War II historians, American historical associations and other organizations knowledgeable about World War II. The board would be responsible for promoting the establishment of the memorial and museum, encouraging donations of private funds for construction and maintenance, recommending the site, and selecting the design, subject to approval by the ABMC. The Board would also transmit an annual report to the Congress concerning its activities and the progress of the memorial and museum.

For the purpose of establishing the memorial and museum, the ABMC may solicit and accept private contributions, maintaining proper documentation. A special fund would be established in the Treasury for this purpose. The Secretary of the Treasury would be authorized to invest any portion of the fund that, as determined by the Chairman of the Commission, is not required to meet current expenses.

Federal funds would be authorized to be appropriated as necessary for site preparation, design, planning, and associated administrative costs, as well as construction, maintenance and operation.

The reported bill would authorize the Secretary of the Smithsonian Institution, the Library of Congress and all executive branch departments, agencies and establishments of the United States to assist the ABMC in the performance of its functions.

H.R. 3742 would allow the ABMC to accept the transfer, or purchase, of any real property in the District of Columbia or its environs for the purpose of establishing the memorial and museum.

Oversight Findings

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

CBO Cost Estimate

The following letter was received from the Congressional Budget Office (CBO) concerning the cost of H.R. 3742 as introduced. The Committee has been advised by CBO that the cost of the reported bill would be the same:

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 14, 1988

1. BILL NUMBER: H.R. 3742

2. BILL TITLE: None.

3. BILL STATUS:

As introduced in the House of Representatives on December 10, 1987.

4. BILL PURPOSE:

To authorize the construction of a memorial and museum to honor members of the Armed Forces who served in World War II (WWJI); to authorize the appropriation of such sums as may be necessary for the design, construction, and operation of the memorial and museum; and to establish a World War II Memorial and Museum Advisory Board.

5. ESTIMATED COST TO THE FEDERAL GOVERNMENT:

	(By fiscal years, in millions of dollars)				
	1989	1990	1991	1992	1993
Estimated Authorization Level	1	1	1	1	1
Estimated Outlays	1	1	1	1	1

The cost of this bill would fall in budget function 700.

Basis of Estimate

Design and Construction Costs. The design and construction costs of the WWII Memorial and Museum cannot be estimated with any precision at this time, since the size and scope of this project has not yet been determined. However, an examination of the costs associated with the Holocaust Memorial and Museum may provide some idea of the potential magnitude of costs likely for the proposed project.

Like the proposed WWII Memorial, the Holocaust Memorial will have a museum associated with it. The facilities are presently under construction. The Holocaust Memorial Council has estimated that the design and construction cost of the memorial and museum will be about $60 million, excluding the cost of exhibits. The construction costs of the WWII Memorial may be larger or smaller than this amount, depending on how the WWII Memorial compares with the Holocaust Memorial in size, complexity, and grandeur.

Costs to the American Battle Monuments Commission and the WWII Memorial and Museum Advisory Board. The functions performed by the Holocaust Memorial Council would be shared in this instance by the existing American Battle Monuments Commission (ABMC) and the new WWII Memorial and Museum Advisory Board. The Holocaust Memorial Council currently spends approximately $2 million a year, but much of this money finances public education efforts that would have no equivalent in connection with the WWII Memorial. It is estimated that the cost to the ABMC and the advisory board would be around $1 million a year.

Private Contributions. The WWII Memorial and Museum Advisory Board is authorized to accept and encourage private donations for the construction and maintenance of the memorial and museum. To the extent that such donations are forthcoming, they would offset costs to the federal government. The Holocaust Memorial, like the Vietnam Veterans Memorial before it, is to be constructed, operated, and maintained entirely through public donations. The federal government's contribution is limited by statute to the donation of the land and the financing of the Holocaust Memorial Council. H.R.3742 places no such restrictions on the financing of the WWII Memorial. Private donations may be sufficient to fully finance the memorial; if not, however, the federal government would pay any remaining costs.

6. ESTIMATED COST TO STATE AND LOCAL GOVERNMENTS:

The Congressional Budget Office has determined that the budgets of state and local governments would not be significantly affected by enactment of this bill.

7. ESTIMATE COMPARISON: None.

8. PREVIOUS CBO ESTIMATE: None.

9. ESTIMATE PREPARED BY: K.W. Shepherd (226-2820).

10. ESTIMATE APPROVED BY:

for James L. Blum
Assistant Director
for Budget Analysis

Inflationary Impact Statement

The enactment of the reported bill would have no inflationary impact.

Agency Reports

The following letters were received from the Commission of Fine Arts and the National Capital Planning Commission on the reported bill.

THE COMMISSION OF FINE ARTS

ESTABLISHED • BY • CONGRESS • MAY • 17, 1910

708 JACKSON PLACE, N.W.
WASHINGTON, D.C. 20006

202-566-1066

23 June 1988

Dear Mr. Montgomery:

The Commission appreciates the opportunity to add to our earlier comments on H.R. 3742 which would authorize a World War II Museum and Memorial.

The amendments offered as a substitute for the original provisions appear to be sound and should result in a much better bill.

The only comment I would like to recommend at the present time is with respect to Section 2 (e)(2); the Responsibilities of the Board, found on p. 3 of the amendment. The Commission recommends changing the wording from " recommend the site and select the design" to " recommend the site or sites and select the designs." By so doing, it would be possible to accommodate the museum and memorial on different sites and give some flexibility to meeting the special program needs of each.

As you know from our earlier report, the Commission was concerned about the museum component of this legislation, and pointed out that a site ideally suited to a memorial is not necessarily appropriate for a museum. Thus providing for the possible separation of the two elements rather than having them inextricably linked would in the Commission's view be very desirable.

The Commission believes that the establishment of a memorial commemorating World War II is a matter of the highest priority and nothing should be done that in any way will restrict or compromise the possibility for obtaining a truly great memorial.

I wish to assure your committee that we stand ready to assist the Congress in this endeavor in any way we can.

Sincerely,

Neil H. Porterfield

Neil H. Porterfield,
Vice Chairman

The Honorable
G. V. Montgomery
U. S. House of Representatives
Washington, D. C. 20515-2403

NATIONAL CAPITAL PLANNING COMMISSION

COMMISSION MEMBERS

Appointed by the President of the United States

Glen T. Urquhart
CHAIRMAN

William E. Baumgaertner

W. Don MacGillvray

Appointed by the Mayor of the District of Columbia

Robert J. Nash

Patricia Elwood

Secretary of Defense
Honorable Frank C. Carlucci

Secretary of the Interior
Honorable Donald Paul Hodel

Administrator of General Services
John Alderson (Acting)

Chairman, Committee on Governmental Affairs, United States Senate
Honorable John Glenn

Chairman, Committee on the District of Columbia, U.S. House of Representatives
Honorable Ronald V. Dellums

Mayor, District of Columbia
Honorable Marion S. Barry, Jr.

Chairman, Council of the District of Columbia
Honorable David A. Clarke

EXECUTIVE DIRECTOR
Reginald W. Griffith

IN REPLY REFER TO
NCPC File No. L10023

June 30, 1988

Honorable G.V. Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
325 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Montgomery:

Thank you for requesting the views of the National Capital Planning Commission on Ms. Kaptur's amendment in the nature of a substitute to H.R. 3742, a bill to provide for the establishment of a memorial and museum on Federal land in the District of Columbia or its environs to honor members of the Armed Forces who served in World War II and to commemorate the United States' participation in that conflict.

The Commission testified before this Committee's Subcommittee on Housing and Memorial Affairs on the original version of H.R. 3742. As we stated in our previous testimony, the Commission supports the concept of a World War II memorial, to be approved in accordance with the Commemorative Works Act. We concur with the authors of the legislation that such a memorial is long overdue in the Nation's Capital.

However, the Commission opposes the establishment of a World War II Museum. To our knowledge, there are no existing museums dedicated to a single war in the National Capital Region. We are concerned that establishing such a museum would set a precedent leading to a proliferation of museums commemorating single wars. Moreover, the sites available for museums in the Nation's Capital are rapidly dwindling. We note that two of the Smithsonian museums--the National Air and Space Museum and the National Museum of American History--already contain a considerable amount of World War II aircraft, and other World War II artifacts and memorabilia. In light of these factors, we believe that decisions regarding any further museums in this area should be left to the Smithsonian Institution.

Moreover, we are concerned that the substitute bill contains language regarding establishment of the museum which is stronger than in the original bill. The substitution in Ms. Kaptur's amendment of the word "mandated" for "authorized" in the original

bill suggests that the substitute bill would require the museum to be built, as opposed to merely authorizing it. See sections 2(e)(1), 3(a), and 3(c)(1) of the substitute bill. Similarly, the substitute bill changes the title of the bill to "An Act to provide for the establishment" of the memorial and museum whereas the original title is "[An Act] to authorize erection" of the memorial and museum. Therefore our opposition to the museum provisions in the substitute bill is stronger than to the language in the original.

Furthermore, we reiterate the Administration's position that the bill be amended to prohibit the use of Federal funds in the construction of this new memorial. This revision would reflect a more equitable treatment in relation to the Vietnam Veterans Memorial, which was entirely funded through private contributions, and the proposed Korean War Veterans Memorial, which would be funded with only limited Federal support. Consistent with this recommendation, we question whether, if only private funds are used for the memorial, the fund and procedures established in section 3(b) are appropriate.

While we are pleased that H.R. 3472 incorporates section 7 of the Commemorative Works Act (the Act), we urge that the bill be amended to incorporate all the provisions of this important Act. Such an amendment should provide that, if the memorial (and museum if there is one) are placed on Federal land which is administered by a department or agency other than the National Park Service or General Services Administration, then in applying the Act, that department or agency would be understood to be substituted for the references to the National Park Service and General Services Administration. We also question the need for section 4(b)(1) providing for a transfer of jurisdiction of real property to the American Battle Monuments Commission. Authorizations for transfers of jurisdiction are typically not incorporated in memorials legislation, with the recent exception of the Holocaust Memorial Museum.

With respect to the Committee's request for an estimate of cost for the memorial and museum, as Katherine Soffer of the Commission staff discussed with Gloria Royce of your staff, we are unable to provide cost estimates at this time in the absence of a more detailed and definitive concept of the project.

Thank you for the opportunity to present our comments.

Sincerely,

Glen T. Urquhart
Chairman

100TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
100-757

GRANTS FOR STATE VETERANS' CEMETERIES

JULY 7, 1988.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MONTGOMERY, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany H.R. 4861]

[Including cost estimate of the Congressional Budget Office]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 4861) to amend title 38, United States Code, to authorize appropriations for grants for State veterans' cemeteries, having considered the same, reports favorably thereon without amendment, by unanimous voice vote, and recommends that the bill do pass.

INTRODUCTION

On June 21, 1988, the Subcommittee on Housing and Memorial Affairs recommended H.R. 4861 to the full Committee for its consideration. On June 28, 1988, the full Committee ordered H.R. 4861 favorably reported without amendment.

BACKGROUND AND DISCUSSION OF THE BILL

Many important improvements have been made in the National Cemetery System since the enactment of Public Law 93-43, which transferred jurisdiction of all federally owned cemeteries, except Arlington National Cemetery, from the Department of the Army to the Veterans' Administration (VA).

Public Law 95-476 authorized the establishment of the State Cemetery Grant Program. This Federal grant program is administered by the VA Department of Memorial Affairs to aid States in the establishment, expansion and improvement of veterans' ceme-

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teries. The primary purpose of the program is to assist the States to provide gravesites for veterans in those areas where national cemeteries cannot fully satisfy the burial needs of veterans. The program is intended to complement the VA National Cemetery System.

Generally, veterans service organizations and/or interested State officials encourage the State legislature to enact legislation for the necessary site acquisition, construction, operation and maintenance of a State-owned cemetery. The VA provides up to 50 percent of the costs associated with the development, expansion or improvement thereof.

To qualify, title to the site must be vested in the State and the cemetery operated solely for those persons eligible for burial in a national cemetery. Grants are made on the condition that the cemetery shall conform to standards and guidelines relating to the site selection, planning and construction prescribed by the VA.

The VA has made a continuous and aggressive effort to publicize the program over the last several years. Thus far, 12 States, including the Territory of Guam, have been awarded grants totaling $10.5 million for Federal assistance in the cost of establishing, expanding or improving State veterans' cemeteries. In total, 18 States have submitted 38 applications for assistance in acquiring land for or improving facilities at 27 cemeteries totaling $24.2 million.

An additional 30 States have expressed an interest in the program. The reported bill would extend the State grant authority for an additional four years (through fiscal year 1993).

Oversight Findings

No oversight findings have been submitted to the Committee by the Committee on Government Operations.

CBO Cost Estimate

The Committee received the following letter from the Congressional Budget Office concerning the cost of the reported bill.

CONGRESSIONAL BUDGET OFFICE
U.S. CONGRESS
WASHINGTON, DC 20515

June 29, 1988

Honorable G. V. Montgomery
Chairman
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Congressional Budget Office has prepared the attached cost estimate for H.R. 4861, a bill to authorize appropriations for grants for state veterans' cemeteries, as ordered reported by the House Committee on Veterans' Affairs, June 28, 1988.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

James L. Blum
Acting Director

Attachment

cc: Honorable Gerald B. H. Solomon
Ranking Minority Member

CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

June 29, 1988

1. BILL NUMBER: H.R. 4861

2. BILL TITLE: None.

3. BILL STATUS:

As ordered reported by the House Committee on Veterans' Affairs, June 28, 1988.

4. BILL PURPOSE:

This bill would authorize the appropriation of $9 million in 1989 and such sums as may be necessary in 1990-1993 for grants to states for the construction of state veterans' cemeteries.

5. ESTIMATED COST TO THE FEDERAL GOVERNMENT:

	(By fiscal year, in millions of dollars)				
	1989	1990	1991	1992	1993
Estimated Authorization Level	9	9	10	10	11
Estimated Outlays	0	0	1	4	7

The cost of this bill would fall in budget function 700.

Basis of Estimate

The authorization levels for 1990-1993 were estimated by inflating the stated authorization level for 1989. Estimated outlays assume full appropriation of authorization levels at the beginning of each fiscal year. Outlays were estimated using historical spending patterns for this account.

6. ESTIMATED COST TO STATE AND LOCAL GOVERNMENTS:

The budgets of state governments could be affected by this bill to the extent that they participate in this program during the authorized period. While the VA grant cannot represent more than 50 percent of the total cost of the cemetery project with the remaining amount to be contributed by the state, the participation of a state in the program at any level is wholly voluntary.

7. ESTIMATE COMPARISON: None.

8. PREVIOUS CBO ESTIMATE: None.

9. ESTIMATE PREPARED BY: K.W. Shepherd (226-2820).

10. ESTIMATE APPROVED BY:

for James L. Blum
Assistant Director
for Budget Analysis

Inflationary Impact Statement

The enactment of the reported bill will have no inflationary impact.

Agency Reports

The Committee received the following letter from the Veterans Administration which includes legislation similar to the reported bill.

APR 4 1988

Office of the
Administrator
of Veterans Affairs

Washington DC 20420

Veterans
Administration

APR 1 1988

Honorable Jim Wright
Speaker of the House
of Representatives
Washington, D.C. 20515

Dear Mr. Speaker:

There is transmitted herewith a draft bill "To modify eligibility standards for the plot allowance; authorize a headstone allowance for prepurchased grave markers; extend authorization for the State cemetery grants program, and for other purposes," with the request that it be referred to the appropriate committee for prompt consideration and enactment.

Section 1 of our proposal would amend the eligibility criteria contained in section 903(b) of title 38, United States Code, pertaining to the plot allowance. In effect, the amendment would adopt the same criteria embodied in the statutes providing burial allowance benefits.

Under current section 903(b), which provides a plot allowance for the purchase of a burial plot or for interment of a veteran's remains, the benefit is payable on behalf of any veteran not buried in a national cemetery who was a veteran of wartime service, was discharged from service for disability incurred or aggravated in line of duty, was entitled to VA compensation or pension, or died while institutionalized in a VA facility or at VA expense. The plot allowance is a corollary to the burial allowance under sections 902 and 903(a), which provide benefits to assist in the payment of a veteran's burial and funeral expenses.

As originally conceived, the plot and burial allowance were to facilitate honorable burials for veterans who died in service or lacked sufficient funds to cover burial expenses. In 1981, however, Congress recognized that Federal burial-assistance programs had expanded well beyond their original purposes and benefits were being paid on behalf of persons who possessed ample resources to pay such expenses. Section 2001(b) of Public Law 97-35 was enacted to restrict eligibility for the burial allowance to veterans entitled to disability compensation or pension at the time of death. A subsequent amendment added eligibility for certain veterans who had neither next of kin nor sufficient resources to cover

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Honorable Jim Wright

funeral and burial expenses. Burial awards on behalf of institutionalized veterans under section 903(a) were retained. In essence, burial benefits were directed primarily to those veterans who suffered diminished earning capacity by reason of active service and those who demonstrated financial need.

Enactment of our proposal would continue the reforms begun in 1981 by limiting eligibility for the plot allowance to veterans entitled to disability compensation or pension or to certain institutionalized veterans. Wartime service alone would no longer be qualifying for the plot allowance. The proposed legislation would more effectively realize the original purposes of the program and direct Federal assistance to those genuinely in need. Further, it would reconcile the different criteria that have developed in the burial allowance and plot allowance programs.

Under present law, the plot allowance is payable to a State when a veteran is buried in a State veterans cemetery, as long as no other payment of the allowance has been made. Such payments partially reimburse the States for the costs of interment and grave maintenance and, in some cases, represent a significant source of operating revenue for State facilities. States currently participating in the State cemetery grant program may rely to a great extent on the continuation of this source of funds, and any reduction in Federal commitment may be a critical disincentive to participation in the program of additional States. Thus, in order to encourage wider participation in the State cemetery grant program, we propose to preserve the existing eligibility criteria for the plot allowance in the case of veterans interred in State facilities, thereby avoiding any detrimental impact on State cemeteries from the revision of the plot allowance.

If enacted, our proposal would entail no administrative costs, and would achieve savings of approximately $154.5 million through fiscal year 1993, as reflected in the President's fiscal year 1989 budget.

Section 2 of our proposal would amend current section 906(d) of title 38, United States Code, to permit payment of the headstone or marker allowance to the estate of a deceased veteran who purchased the headstone or grave marker prior to his or her death. Further, in the case of a prepurchased marker that is engraved following the veteran's death, the proposal would provide for reimbursement of the engraving

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Honorable Jim Wright

costs, as now, plus any balance remaining in the marker allowance would be applied to reimburse, in part, the expense of the marker.

Section 906(d) of title 38, United States Code, provides for the payment of a monetary allowance in lieu of a Government-furnished headstone or grave marker under certain circumstances. The allowance is intended to reimburse an individual, in part, for the actual costs of acquiring a suitable memorial, and is not payable prior to the death of the veteran. Therefore, if the veteran purchases his or her memorial prior to death, the headstone or marker allowance cannot be claimed at the time of the purchase. Moreover, the allowance is not payable to any person after the veteran's demise, to the extent the costs of the memorial were prepaid (borne) by the veteran.

Prepaid funeral arrangements are gaining in popularity, and serve as a thoughtful means of sparing survivors the need to make difficult decisions during a period of emotional stress. Under existing law, the Veterans Administration (VA) is authorized to pay burial and plot allowances to reimburse for prepayment of such funeral expenses. Our proposal would extend that approach to the acquisition of headstones or grave markers, thereby removing the disincentive to prepurchase memorials and relieving survivors of a financial burden. Further, the proposed amendment would reconcile the different criteria for reimbursement applied to prepayment of funeral expenses and prepurchase of memorials.

Our proposal, if enacted, would result in less than $1 million in benefit costs and $100,000 in administrative costs.

Section 3 of our proposal would authorize the appropriation of funds for five years to extend the State cemetery grants program. Section 1008 of title 38, United States Code, enables the VA to make matching grants to cover up to 50 percent of costs to States in establishing, expanding, or improving State veterans cemeteries. The program has been quite successful; thus far, 18 States have submitted 38 applications for assistance in acquiring land for or improving facilities at 27 cemeteries, and an additional 30 States have expressed interest in the program or an intent to file for Federal assistance. Unfortunately, authority for the current program will lapse in fiscal year 1989. We propose to extend the program through fiscal year 1994, thereby permitting additional participation by the States.

4.

Honorable Jim Wright

Section 1008 makes it possible for States and the Federal government to share the obligation of meeting burial needs. Veterans cemeteries are a poignant reminder of the shared sacrifices of this Nation's veterans, and permit those who so desire to be buried with their comrades-in-arms in a cemetery in their home State. State veterans cemeteries complement those facilities in the national cemetery system.

The estimated cost of this proposal, which depends on the level of appropriations provided, is $6 million in each fiscal year.

Section 4 of our proposed bill would repeal section 1008(b)(1) of title 38, United States Code, which limits the amount of Federal funds that may be received under the State cemetery grant program.

At present, section 1008(b)(1) provides that no State may receive grants in any fiscal year in a total amount in excess of 20 percent of the total amount appropriated program-wide for that fiscal year. The purpose of the statute is to prevent any State from receiving a disproportionate share of Federal funds through the cemetery grant program.

In practice, however, the statute may lead to unintended results. For example, if $3 million were available in the third year of an appropriation and three States each requested $1 million in Federal assistance, no grant could be made because of the 20-percent limitation in the statute; i.e., each State would be requesting more than 20 percent of the total amount appropriated program-wide. Moreover, the entire $3 million would then lapse despite the seeming adequacy of the appropriation to fund all three requests.

In our view, the present provision should be repealed in order to avoid these unintended results. Our proposal would enhance program flexibility and more efficiently and equitably deal with carry-over funds, while faithfully maintaining the goals of the program.

Enactment of this proposal would result in no administrative costs.

Section 5 of our proposal would make the changes respecting the plot allowance effective as to deaths occurring after September 30, 1989. The amendments authorizing a headstone allowance for prepaid grave markers would be effective for deaths occurring after September 30, 1988. The repeal of

5.

Honorable Jim Wright

section 1008(b)(1) of title 38 and extension of the State cemetery grant program would become effective on the date of enactment of the Act.

The Office of Management and Budget advises that there is no objection from the standpoint of the Administration's program to the submission of this legislative proposal to the Congress.

Sincerely,

THOMAS K. TURNAGE
Administrator

Enclosures

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 1008 OF TITLE 38, UNITED STATES CODE

§ 1008. AID TO STATES FOR ESTABLISHMENT, EXPANDING, AND IMPROVEMENT OF VETERANS' CEMETERIES

(a)(1) Subject to subsection (b) of this section, the Administrator may make grants to any State to assist such State in establishing, expanding, or improving veterans' cemeteries owned by such State. Any such grant may be made only upon submission of an application to the Administrator in such from and manner, and containing such information, as the Administrator may require.

[(2) There is authorized to be appropriated $5,000,000 for fiscal year 1980 and for each of the four succeeding fiscal years, and such sums as may be necessary for fiscal year 1985 and for each of the four succeeding fiscal years, for the purpose of making grants under paragraph (2) of this subsection.]

(2) There are authorized to be appropriated $9,000,000 for fiscal year 1989 and such sums as may be necessary for each of the four succeeding fiscal years for the purpose of making grants under paragraph (1) of this subsection.

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